

Message Text

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51

ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 IO-13 ADP-00 CCO-00 SSO-00 OIC-04

AID-20 CEA-02 CIAE-00 COME-00 EB-11 FRB-02 INR-10

NSAE-00 RSC-01 OPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01

OMB-01 STR-08 SS-15 NSC-10 PA-03 PRS-01 USIA-12 L-03

H-02 AF-10 ARA-11 AGR-20 SPM-01 RSR-01 /229 W

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R 091627 Z JUN 73

FM USMISSION OECD PARIS

TO SECSTATE WASHDC 9886

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

USMISSION EC BRUSSELS UNN

USMISSION NATO

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS UNN

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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TAGS: EGEN, OECD, OVIP (CASEY, WILLIAM J, AND SCHULTZ, GEORGE P.)

SUBJECT: OECD MINISTERIAL COUNCIL DISCUSSION OF DEVELOPMENT
COOPERATION
ITEM.

PASS AID/ PPC/ IA

1. SUMMARY: FIFTEEN COUNTRIES, PLUS IBRD, MADE STATEMENTS DISCUSSING DEVELOPMENT COOPERATION, FOLLOWING SECRETARY GENERAL' S PAPER FOR MOST PART. NO SURPRISES, BUT FRANCE ASKED FOR SUPPORT TO HAVE IBRD FINANCE BUFFER STOCKS AND IRELAND ANNOUNCED ITS INTENTION TO SEEK MEMBERSHIP IN DAC. IN MY STATEMENT, I NOTED THAT WHILE THERE WAS PROGRESS IN MANY OF THE DEVELOPING COUNTRIES IN THE DECADE OF THE SIXTIES, MANY OF THE GAINS HAVE BEEN UNEVENLY DISTRIBUTED AND THE PREDOMINANT FEATURE OF LDC' S IS STILL POVERTY. I SAID THE U. S. WOULD CONTINUE TO PURSUE A COMPREHENSIVE AID POLICY TO HELP STIMULATE SOCIAL AND ECONOMIC PROGRESS IN THE LDC' S AND STRESSED THE INTERRELATIONSHIP OF ASSISTANCE WITH OTHER FACTORS SUCH AS INVESTMENT, TRADE, INSTITUTIONAL DEVELOPMENT AND EQUILIBRIUM IN THE INTERNATIONAL MONETARY AND TRADE SITUATION. END SUMMARY.

2. CANADA, AUSTRALIA, U. K., AUSTRIA, GREECE, SWEDEN, TURKEY, NETHERLANDS, SWITZERLAND, FRANCE, U. S., JAPAN, GERMANY, IRELAND, DENMARK, AND IBRD MADE INTERVENTIONS ON SUBJECT ITEM. DISCUSSION FOR THE MOST PART PREDICTABLE, GENERALLY FOLLOWING THE THEMES DEVELOPED IN SECRETARY GENERAL' S PAPER C(73)102. MOST DELEGATIONS SPOKE TO NEED TO INCREASE VOLUME OF ASSISTANCE AND IMPROVE FINANCIAL TERMS. FRANCE (GISCARD D' ESTAING) MADE MOST EXTENSIVE AND EMPHATIC STATEMENT ON LAGGING VOLUME (ONLY ONE - HALF DD II ODA TARGET), MAKING PLEA FOR GREATER EFFORT OF ALL DONORS. CANADIANS, SWEDES, AUSTRALIANS, JAPANESE, AND DANES CALLED ATTENTION TO INCREASES IN THEIR OWN PROGRAMS AND GAVE STRONG SUPPORT TO DD II 0.7 PERCENT ODA TARGET. IBRD
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MADE PITCH FOR SUPPORT IDA FOURTH REPLENISHMENT AFTER A NUMBER OF COUNTRIES INDICATED INTENTIONS TO PARTICIPATE ACTIVELY.

3. IN MY INTERVENTION I NOTED THAT ALTHOUGH PROGRESS WAS MADE DURING THE DECADE OF THE SIXTIES IN ACCELERATING THE ECONOMIC GROWTH OF MANY OF THE DEVELOPING COUNTRIES, THESE GAINS HAVE BEEN UNEVENLY DISTRIBUTED AND THE PREDOMINANT FEATURE OF THE LESS DEVELOPED WORLD IS POVERTY. I EMPHASIZED THAT THE PROSPECTS FOR ACCELERATED GROWTH IN THE LDC' S AS WELL AS INCREASED ASSISTANCE FROM THE DEVELOPED COUNTRIES ARE DIRECTLY RELATED TO A BASIC RESTRUCTURING OF THE INTERNATIONAL MONETARY, TRADE AND INVESTMENT SYSTEM. I SAID THE VOLUME OF ASSISTANCE AVAILABLE TO THE LDC' S WILL DEPEND TO A LARGE DEGREE ON HOW WELL WE MAINTAIN GROWTH,

EMPLOYMENT AND PRICE STABILITY IN EACH OF OUR OWN COUNTRIES. I STRESSED THAT THE U. S. WILL CONTINUE TO PURSUE A COMPREHENSIVE AID POLICY DESIGNED TO HELP STIMULATE SOCIAL AND ECONOMIC PROGRESS, A POLICY NOT OF AID ALONE BUT OF EMPLOYING A WIDE VARIETY OF ECONOMIC RELATIONSHIPS, INVOLVING COORDINATION WITH OTHER DEVELOPED COUNTRIES AND REQUIRING SERIOUS EFFORT FROM THE LDC' S THEMSELVES. I SAID THE UNITED STATES WOULD CONTINUE TO SUPPORT WELL CONCEIVED DEVELOPMENT EFFORTS AND THAT WE ARE PREPARED TO WORK WITH LDC' S TO IMPROVE THE FLOW OF TRADE, TECHNOLOGY AND CAPITAL TO ACCELERATE THEIR DEVELOPMENT. I CONCLUDED BY NOTING THE SIGNIFICANT CONTRIBUTION ALREADY MADE BY THE OECD IN THE DEVELOPMENT FIELD AND NOTED WITH INTEREST THE WORK OECD IS DOING TO FORMULATE A COMPREHENSIVE, INTEGRATED APPROACH TO DEVELOPMENT AND DEVELOPMENT ASSISTANCE.

4. GROWING INDEBTEDNESS OF LDC' S MENTIONED BY MOST SPEAKERS WITH CANADA, NETHERLANDS, U. K. JAPAN, GERMANY URGING DAC AND OECD TO EXAMINE PROBLEM IN DEPTH. FRANCE SUGGESTED INCREASED VOLUME WOULD EASE INDEBTEDNESS PROBLEM AND AUSTRALIA STRESSED SOFTER TERMS.

5. SWEDEN MADE STRONG PLEA FOR CONTINUATION OF UNTYING DISCUSSIONS IN DAC, STRONGLY SUPPORTED BY JAPAN AND GERMANY. IAPPLAUDED THE EFFORTS OF JAPAN AND OTHER DONORS WHO ARE TAKING UNILATERAL UNTYING ACTIONS. FRANCE SAID TYING NOT AN IMPORTANT DEVELOPMENT CONSIDERATION, BUT THAT PRICE OF GOODS SUPPLIED BY DONOR COUNTRIES WAS KEY FACTOR.

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6. THE THEME OF SECRETARY GENERAL' S PAPER OF GREATER EMPHASIS ON SOCIO- ECONOMIC FACTORS SUCH AS UNEMPLOYMENT, DISTRIBUTION OF INCOME, MALNUTRITION, AND POPULATION GROWTH, AND FIGHTING MASS POVERTY RECEIVED GENERAL SUPPORT FROM ALL SPEAKERS. DANISH INTERVENTION DWELT ALMOST EXCLUSIVELY ON THESE ISSUES URGING DONORS TO TAKE INTO ACCOUNT EMPLOYMENT EFFECT OF PROJECTS AND TO SUPPORT FOR LAND REFORM AND RURAL INDUSTRIES. FRANCE ASKED GOVERNMENTS

SUPPORT ACTION BY IBRD TO FINANCE BUFFER STOCKS AS A WAY OF INCREASING

LDC EXPORT EARNINGS. ALL SPEAKERS SUPPORTED PRINCIPLE OF INCREASED TRADE WITH LDC' S THROUGH GSP. FRANCE CALLED ATTENTION TO ITS SUPPORT OF ESTABLISHMENT OF WORLD DEVELOPMENT DAY AND CALLED ON ALL DONORS TO INCREASE THEIR PUBLIC INFORMATION PROGRAMS TO DRAMATIZE DEVELOPMENT PROBLEMS. IRELAND IN SHORT INTERVENTION ANNOUNCED ITS INTENTION TO DOUBLE ITS ASSISTANCE PROGRAM IN NEXT YEAR AND TO PROVIDE ANNUAL INCREASE THEREAFTER RELATED TO INCREASES IN GNP, IT INTENDS TO APPLY FOR MEMBERSHIP IN DAC.

7. ALL SPEAKERS ENDORSED WORK OF DAC AND EXPRESSED INTEREST IN INTEGRATED AND COMPREHENSIVE OECD APPROACH TO DEVELOPMENT PROBLEMS. DAC CHAIRMAN EXPRESSED HOPE THAT POSITIVE TONE OF MINISTERS'

STATEMENTS WOULD BE REFLECTED IN CONCRETE ACTION IN CAPITALS.
SECRETARY GENERAL EXPRESSED APPRECIATION FOR SUPPORT OF HIS
PROPOSALS AND INDICATED HE WOULD SOON HAVE A DOCUMENT DEALING
WITH OECD DEVELOPMENT ROLE TO PRESENT TO COUNCIL.

8. TEXT OF U. S. INTERVENTION CABLED SEPARATELY. CASEY

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<< END OF DOCUMENT >>

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ATHENS
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BONN
BRUSSELS
CANBERRA
COPENHAGEN

DUBLIN
THE HAGUE
HELSINKI
LISBON
LONDON
EC BRUSSELS UNN
NATO
LUXEMBOURG
MADRID
OSLO
OTTAWA
PARIS UNN
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ROME
STOCKHOLM
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N GENEVA

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